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REPORT OF THE ANNUAL MEETING COMMITTEE.

EIGHTH ANNUAL MEETING

OF THE

American Academy of Political and  
Social Science

*Philadelphia, April 8 and 9, 1904.*

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In choosing "The Government in its Relation to Industry" as the general topic of the Eighth Annual Meeting your Committee was desirous of focusing the attention of the members of the Academy upon certain of those questions of government regulation now in the forefront of public discussion. To this end the relations of our governments to banking and trust companies, to the expansion of foreign trade, to the restriction of immigration, and to the control of large industrial and commercial corporations or trusts were chosen as the subjects of the four sessions of the Annual Meeting. Your Committee desires to express its appreciation of the courtesies extended to members and visitors at the Annual Meeting by the Provost of the University of Pennsylvania, the officers of the Manufacturers' Club, the Union League, and the Philadelphia Commercial Museums. As in former years, the expenses of the meeting have been defrayed principally from a special fund contributed by friends of the Academy. The generous support received from these sources has enabled the officers of the Academy to enlarge the scope of the meeting and to give to the printed Proceedings a correspondingly broader circulation. The thanks of the members of the Academy is due to these friends of the organization who have made possible the extension of its public usefulness.

## SESSION OF FRIDAY AFTERNOON, APRIL 8TH.

The Presiding Officer, Honorable Frank A. Vanderlip, of New York City, introduced Joseph Wharton, Sc. D., Chairman of the Local Reception Committee. In welcoming the members and visitors to the annual meeting Mr. Wharton spoke as follows:

*Mr. Chairman, Members and Guests of the Academy of Political and Social Science.*

As the years pass by it becomes more and more evident that not only is there room in the United States for such an institution as this Academy, but that in fact the information and the ideals which it can disseminate are urgently needed by the people of this nation. The world is growing to appreciate more and more the predominating part which national and personal economy play in the great events which constitute the history of a race or nation.

When our minds are withdrawn from the contemplation of some hero or statesman who seems to have molded the community in which he dwelt, we often find that he was little more than the figure-head, or mouthpiece, of the great mass of undistinguished persons who had reached upon one or more points, convictions so clear and urgent that they were ready to take shape as irresistible forces, so soon as a competent leader arose to make them effective.

It is obvious, for instance, that commercial independence and industrial independence were more the underlying aims of our American Revolution than the mere political severing of the ties binding this country to the British throne.

Every reader of American history very well knows that resistance to taxation without representation, of which the Stamp Act was a conspicuous feature, the Non-Importation Resolutions of American merchants, the destruction of tea in Boston Harbor and the sending back of cargoes of tea from this port and New York were important factors leading to the Declaration of Independence, yet we are rather too much inclined to let our attention be drawn away from these underlying causes by our interest in the actual combat, and our admiration for the brilliant characters of the great men who became the nation's leaders.

Another instance of great historic changes resulting from somewhat obscure causes is the revolt of the peoples of Northern Europe

from the domination of the Roman Catholic Church, which was also due in a large measure to economic causes; namely, the exactions of the Roman hierarchy in draining money from those countries for its support and for its enterprises; among them the building of the great Cathedral of St. Peter in Rome. We have heard in a general way of the begging friars who went up and down through Europe taking toll from the inhabitants, and we have heard of the sale of indulgences by the monk Tetzels and others, but these things have perhaps never been so clearly set forth as factors in the Reformation as in the recent statement by our distinguished fellow citizen, Mr. Henry C. Lea, in his contribution to "The Cambridge Modern History," edited by Lord Acton, in which he describes the condition of Europe before the Reformation, and the causes leading to that Reformation. Mr. Lea emphasizes the important, if not the principal, part which these money exactions played toward bringing men's minds to the point of declaring their independence from the domination of Rome; a matter evidently quite apart from any question of religion.

After giving all allowance to the brave spirit of Martin Luther, it cannot be denied that he entered upon a field already ripe unto the harvest, so that his great work was practicable as otherwise it could not have been.

When an earthquake carries destruction over a great territory, destroying many lives and changing the face of nature, that disruption and that overturning do not result from some cause born at the moment, but the shock is the result of causes which have been quietly operating for years, centuries, or for long ages; such as the contraction of the earth's crust by loss of heat, or the shifting of enormous masses of earth from the various affluents of a great river to the delta at its mouth—either of these causes producing new strains gradually increasing to the point of rupture.

This Academy naturally turns a part of its attention to such enduring and unobtrusive social forces.

Another proper subject for the consideration of the Academy is, I think, the enormous waste and destruction of the several funds provided by nature as for the special use of man, such as the timber forests of a country, its supplies of coal, mineral oil, or iron ore and similar resources. The waste of forests might seem not fairly com-

parable to the waste of minerals which do not grow and when exhausted can never be replaced, but, although other trees may grow to replace those which are destroyed, new forests do not, in fact, appear except in a very moderate degree. Destruction not merely consumes the fund of utility possessed by the timber itself, but by altering climatic conditions makes unproductive and almost uninhabitable great regions which originally were well watered and fertile.

Our forests have been most wastefully destroyed and are still so being destroyed. In our Southern Atlantic States, for instance, vast regions of pine forest are now being denuded, principally for the comparatively small fund of turpentine which they can be made to yield, but partly to clear up the ground for cultivation, which latter is largely shiftless and destructive to the elements of fertility which the soil contains. The timber in these cases is wasted by burning, because it is just now too far from easy transportation to compete with that which lies a little nearer.

The exhaustion of coal and iron ores now going on in Great Britain, giving to that country a temporary power to draw wealth from those lands to which its manufactures are exported, is an instance of another sort of waste, which must result before long in the distinct lowering of Great Britain's place among the nations. Hasty legislation cannot be expected to prevent waste of our own enormous natural resources, but a wholesome public sentiment must be created which will lead to abhorrence of the waste and ultimately to such prudent legislation as may diminish it. I shall not attempt to indicate all the various lines of action or education in which this Academy may be useful, but shall conclude by offering to those members and guests of the Academy, who do us the honor to come here from their various homes, a cordial welcome to Philadelphia. We hope that they may find their stay here both profitable and pleasant.

The Presiding Officer announced as the general topic of the afternoon session, "Government Regulation of Banks and Trust Companies." The first address, on "Government Control of Banks and Trust Companies," was delivered by Honorable William Barret Ridgely, Comptroller of the Currency, Washington, D. C. Mr. Ridgely's address will be found on pages 15-26.

The second address on, "Control and Supervision of Trust

Companies," by Honorable Frederick D. Kilburn, State Superintendent of Banks, Albany, N. Y., will be found on pages 27-42.

The fourth address, on "Financial Reports of the National Banks as a Means of Public Control," by Professor Frederick A. Cleveland, New York University, will be found on pages 43-66.

SESSION OF FRIDAY EVENING, APRIL 8TH.

The session of Friday evening, April 8th, was presided over by Dr. Charles Custis Harrison, Provost of the University of Pennsylvania. Dr. Harrison introduced the President of the Academy, Professor L. S. Rowe, of the University of Pennsylvania, who presented a review of the work for the year 1903-04.

Dr. Rowe spoke as follows:

This year marks the fifteenth anniversary of the founding of the Academy—a period presenting an unbroken record of activity and broadening influence. Through the combined efforts of our members in all sections of the country, the Academy has acquired an educational influence, national in scope, and contributing in no small measure towards the development of an enlightened public opinion.

At no time in our history has the country stood in greater need of such educational agencies. With each year industrial, social and political problems are becoming more complex and with this increasing complexity the dangers involved in attempts at hasty and ill-advised solutions are increased. Throughout the long period of heated and, at times, acrimonious discussion that has marked the development of American public policy during the last fifteen years, the Academy has held itself free from all entanglements and has constantly labored for the frankest discussion at its meetings and for the fullest presentation of facts in its publications. During the year that has elapsed since our last annual meeting, we have published six special volumes covering the following subjects:

1903, May—Problems in Charities and Correction.

“ July—The United States and Latin America.

“ September—Southern Educational Problems.

“ November—Business Management.

1904, January—Tariff Problems—British and American.

“ March—Municipal Problems.

NOTE.—The third address on "The Relation of Trust Companies to Industrial Combinations, as Illustrated by the United States Shipbuilding Company," was delivered by L. Walter Sammis, Esq., Associate Editor, New York *Sun*. This address will be found on pp. 239-268.

Each of these volumes contains a well co-ordinated mass of scientific material on one of the great problems confronting the American people. By means of these publications the members of the Academy have been able to secure trustworthy information on questions affecting the vital interests of the country and have thus been in a better position to perform their duties as citizens.

The influence of these publications has not been confined to our members. The public press has made liberal use of the material gathered under the auspices of the Academy and has assisted in broadening the influence of our publication work. We, of the East, do not fully appreciate the position which the Academy has assumed in the Far West. A considerable number of clubs and reading centers depend upon the publications of the Academy for the material with which to conduct their inquiries and discussions. This phase of our educational work has been growing so rapidly that the time is now ripe for the creation of a special bureau of research and information, which will not only furnish guidance for special investigations, but will also bring members into closer touch with one another. One of the greatest services which the Academy can perform will be to co-ordinate the effort that is being put forth by our members in the study of industrial and political questions. With every section of the country fully represented in our membership, the Academy is in a position clearly to mirror the intelligent opinion of the American people as well as to present the results of the most advanced research.

In spite of this increasing influence, the Academy has hardly begun to utilize its possibilities of usefulness. In a great democracy such as ours a national organization which will maintain the highest ideals of truth and sincerity possesses unlimited possibilities for good. To realize these possibilities, however, each member must feel a keen sense of the responsibilities involved and a willingness to co-operate with his fellow members in developing the work and extending the influence of the Academy. The plea that I wish to make this year is for the further development of this spirit of co-operation. With it the Academy's educational influence will advance from year to year until every section of the country will profit by the research and investigation conducted under your auspices.

The Presiding Officer, Dr. Charles Custis Harrison, then intro-

duced the speaker of the evening, Honorable George Bruce Cortelyou, Secretary of the Department of Commerce and Labor, Washington, D. C.

Dr. Harrison spoke as follows:

"The growth of the United States of America is much more striking to all of us than is the development of the machinery of Government. In fact, the slow processes under which new Departments have been created to meet new needs are curious in the extreme."

After stating the rise and history of the several Departments of the Government, Provost Harrison concluded as follows:

"For many years duties have been assigned to these several Administrative or Executive Departments which have been wholly incongruous and unrelated to their proper functions; and for many years, too, as we all know, the development of the manufacturing interests of the country, and the mining interests of the country, has been so great as to force upon the attention of Congress the establishment of a Department in recognition of our national development upon these lines; and so, in 1902, the Department of Commerce—or, as it is now called, the Department of Commerce and Labor—was established. No one who has not read the Act can at all understand the multiform and multitudinous duties which devolve upon the Chief of this Department. When Oliver Wendell Holmes was a Professor at Harvard, he had so many subjects to teach that he called his Chair at Harvard a 'Settee!' And I think that Mr. Cortelyou may call his Chair in the Cabinet a Settee!

"Of course, all of us feel a peculiar interest in Mr. Cortelyou, entirely apart from the duties of his new and high office—an interest which has grown out of his affection for and intimacy with our late and much beloved President, William McKinley; for Mr. Cortelyou bore very much the same relation to Mr. McKinley as Mr. Nicolay and Mr. Hay bore to Mr. Lincoln, and it is an episode not to be overlooked that these two men, holding very much the same relations to two of our great Presidents, should find themselves together in the present Cabinet.

"We do not intend, to-night, to trouble Mr. Cortelyou with telling us of all the duties of his office. He can leave the Settee and take the 'Chair of Commerce,' and we shall be glad to hear from him



upon the subject upon which he has consented to speak to us—that is to say, of ‘Some Agencies by which the Domestic and Foreign Trade of the United States may be Increased.’

“Ladies and gentlemen, I have very great pleasure in presenting to you the Honorable George B. Cortelyou, a member of the Cabinet, and Secretary of Commerce and Labor.”

Secretary Cortelyou then delivered the annual address on “Some Agencies for the Extension of our Domestic and Foreign Trade.” This address is printed on pages 1-12 of this volume.

At the close of Mr. Cortelyou’s address the President of the Academy said:

“Before the adjournment of this meeting I wish to express to the Secretary of Commerce and Labor the sincere appreciation of the Academy for his admirable address. Called to one of the highest positions in the administration of our National Government, he has shown a breadth of view combined with an executive capacity which has aroused the admiration and inspired the confidence of the business community throughout the United States. It will be the privilege of the historian a hundred years hence fully to describe the difficulties that had to be overcome in the establishment of this great new Department and to gauge at their true value the courage and tact that were required to assure to this Department its full measure of usefulness. We stand so close to the formative period of this Department that we cannot appreciate in all its bearings the great edifice which is being reared by the Secretary of Commerce and Labor. But the results already accomplished are sufficient to enable us, in welcoming the speaker of the evening, to pay tribute to the zeal, energy, faithfulness, devotion and the ability with which the new work has been undertaken.”

#### SESSION OF SATURDAY AFTERNOON, APRIL 9TH.

The Presiding Officer, Honorable Samuel McCune Lindsay, Commissioner of Education, Porto Rico, announced as the general topic of the afternoon session, “The Immigration Problem,” and introduced the first speaker, Honorable Frank Pierce Sargent, Commissioner-General of Immigration, Washington, D. C. The address of Commissioner Sargent, on “Problems of Immigration,” will be found on pages 151-158.

The second address on "The Problem of Assimilation," was delivered by Franklin H. Giddings, LL. D., Professor of Sociology, Columbia University, New York City. A summary of Professor Giddings' remarks follows:

In popular discussions of the effects of immigration upon the characteristics of the American people the word assimilation is used for two distinct but related phenomena: one, a gradual conversion of the mind and conduct of the immigrant to American standards, an approximation to an American type; the other an admixture through intermarriage of the immigrant blood with that of the native-born population. The commingling of bloods is the process of amalgamation. The modification of mind and conduct through initiation and education is the process of assimilation. In the present paper I shall examine the known facts relating to both assimilation and amalgamation as they are taking place in the United States to-day.

There never has been a time since immigration to the United States began on a large scale in 1820 when it has not been opposed by an influential class or party of the native born, which has tried to secure the enactment of restrictive legislation. This effort assumed formidable proportions in the Know-nothing movement of 1854. It barred out Chinese laborers in 1892, and now it is attempting to restrict the incoming of the peoples of Southern and Eastern Europe, admittedly more unlike the older American stock than were the Irish and German immigrants of former years. How far a restrictive policy is expedient can be determined only by a study of assimilation and of amalgamation, as these processes are statistically known, in the light of the past experience of the human race, which from the earliest times has been undergoing continual modification through the meeting of minds and the commingling of bloods.

These statistical facts and the lessons of history are plain to those who will read them without prejudice. Twenty-one millions of foreign-born persons have come to the United States since 1820, and yet to-day on the mainland of the United States only 1,403,212 persons are unable to speak the English language. Within the same area there are only 3,200,746 whites unable to read or write and of these 1,913,611 are native born. Few sober-minded

students would venture to affirm that American standards of living, or American legal and political institutions have as yet undergone any considerable change for better or for worse in consequence of the presence here of the immigration that arrived before the year 1890. Assimilation has been astonishingly complete, and the pessimistic predictions of the Know-nothings have not been verified.

Amalgamation proceeds slowly, and statistics of the inter-marriages of native and foreign born, or of different nationalities of the foreign born, do not adequately represent it. We have no way of knowing how rapidly it proceeds among the children and grandchildren of immigrants when all distinctions of European nationality have been lost. The only question we can raise is: When admixture of the stocks now resident here has been accomplished what will the resulting population be like? This question can be answered with a high degree of certainty. In the entire United States 53 per cent. of the foreign born are of English and Teutonic stocks and 21 per cent. are of Celtic stocks. Practically 75 per cent. of our foreign born are of English, Teutonic and Celtic stocks. This is the fact that is made significant by history. The English people, and its offspring, the American people of English descent, are a product of the blending of Teutonic with Celtic bloods during the first ten centuries of the Christian era. Unless the inflow of Latin and Slavic peoples into the United States from this time forth should be out of all proportion to any phenomenon of immigration yet seen in the world's history, the American people must remain what it has thus far been, essentially English in blood, mental qualities, character and institutions.

Admitting that many of our immigrants now are physically and mentally inferior, our practical problem is to exclude undesirable persons without barring any nationality as such. This conclusion applies only to immigration of the white race. Dilution of the American blood by other color races, as for example, the Chinese, is highly undesirable, and should not be contemplated.

The third address, on "Immigration in its Relation to Pauperism," by Miss Kate Holladay Claghorn, of the Tenement House Department, New York City, will be found on pages 185-205.

"The Diffusion of Immigration" was discussed by Eliot Norton,

Esq., of New York City. Mr. Norton's address is published on pages 159-165.

Miss Anna Freeman Davies and Mr. Frank Julian Warne, of Philadelphia, then took up the discussion of the general problem from the standpoint of social work and of the racial problems involved.

SESSION OF SATURDAY EVENING, APRIL 9TH.

The Presiding Officer, Joseph G. Rosengarten, Esq., of Philadelphia, announced as the general topic of the session, "The Scope and Limits of Federal Anti-Trust Legislation." In opening the session Mr. Rosengarten spoke as follows:

"The Academy is fortunate in having as its guests this evening three gentlemen who have played an important part both in the development of corporate enterprise and in the solution of the corporate problems of recent years. Mr. James B. Dill, by reason of his familiarity with and active participation in the formation of many large and important corporate undertakings, is particularly well equipped to express views on Government regulation from the standpoint of the corporation itself. Mr. Charlton T. Lewis, through his long and varied practice in corporation law and from the many social and public-spirited organizations with which he has been connected, is also peculiarly fitted to discuss this question from the standpoint of the corporation and the public at large; while the first speaker of the evening, the Honorable James M. Beck, former Assistant Attorney-General of the United States, has been actively instrumental in determining the legal relations of the National Government with large commercial companies, and in the execution of the anti-trust laws of the United States. Mr. Beck needs no introduction to a Philadelphia audience, as he has for years been, and we shall always consider him to be, a Philadelphian. To each and all of them I can promise your careful attention, and to you the instruction that always follows a close logical discussion by experts able, earnest and *capax rerum*."

Honorable James M. Beck, Assistant Attorney-General of the United States, 1902-1903, delivered the first address, on "The Federal Power over Trusts," which will be found on pages 87-110.

James B. Dill, Esq., of New York City, discussed Mr. Beck's paper, pointing out the negative and conflicting character of the present legislation.<sup>1</sup>

An address on "The Scope and Limits of Congressional Legislation Against the Trusts," by Charlton T. Lewis, LL.D., then followed. Mr. Lewis' address will be found on pages 111-122.

<sup>1</sup>The Editors regret that, by reason of the serious and protracted illness of a member of Mr. Dill's family, he has been prevented from preparing his address for publication.